



County of Los Angeles  
**CHIEF ADMINISTRATIVE OFFICE**

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012  
(213) 974-1101  
<http://cao.co.la.ca.us>

DAVID E. JANSSEN  
Chief Administrative Officer

January 9, 2004

To: Supervisor Don Knabe, Chairman  
Supervisor Gloria Molina  
Supervisor Yvonne Brathwaite Burke  
Supervisor Zev Yaroslavsky  
Supervisor Michael D. Antonovich

From: David E. Janssen  
Chief Administrative Officer

Board of Supervisors  
GLORIA MOLINA  
First District

YVONNE BRATHWAITE BURKE  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

**WASHINGTON, D.C. UPDATE**

**FEDERAL LEGISLATIVE UPDATE: END-OF-SESSION REPORT**

This memorandum is to provide your Board with a report on Congressional action on Federal legislative issues of County interest during the first session of the 108th Congress. The session ended on December 9, 2003 with many major issues unresolved, including the reauthorization of the Temporary Assistance for Needy Families, child care, surface transportation, and Workforce Investment Act programs. Seven of the thirteen Federal Fiscal Year (FFY) 2004 appropriations bills also have not yet been enacted. The Congress will reconvene on January 20, 2004.

**FEDERAL FISCAL YEAR (FFY) 2003 APPROPRIATIONS**

Congress did not complete action on FFY 2003 appropriations until long after the start of the fiscal year. An omnibus FFY 2003 appropriations bill (H.J. Res. 2), which combined 11 of the 13 FFY 2003 appropriations bills, including those funding all programs of County interest, was signed into law (P.L. 108-7) on February 20, 2003. In April, a \$79 billion FFY 2003 supplemental appropriations bill (H.R. 1559) was signed into law (P.L. 108-11), which included a major increase in funding for state and local homeland security activities.

Overall, Federal discretionary programs through which the County receives funding were appropriated roughly the same amount of funds in FFY 2003 as in the prior year with a few exceptions. For the first time, there was a significant infusion of funding for homeland security and election reform grants to state and local governments. A combined total of nearly \$3.8 billion was appropriated in FFY 2003 for Department of

Homeland Security programs of County interest, while nearly \$1.5 billion was appropriated for new election reform grants authorized by the Help America Vote Act of 2002. State Criminal Alien Assistance Program (SCAAP) funding, however, was cut to \$248 million from \$565 million in FFY 2002.

## **FEDERAL FISCAL YEAR (FFY) 2004 APPROPRIATIONS**

As discussed below, Congress has not yet completed action on FFY 2004 appropriations bills which fund programs of County interest except for the Homeland Security and Energy and Water Development appropriations bills.

**FFY 2004 Homeland Security Appropriations Bill:** The first annual appropriations bill (H.R. 2555) for the new Department of Homeland Security (DHS) was signed into law (P.L. 108-90) on October 1, 2003. While aggregate homeland security grant funding for state and local governments is slightly higher than in FFY 2003, there are major differences in funding levels for some individual programs, as seen in Attachment I. Most notably, \$500 million is appropriated for a new State and Local Law Enforcement Terrorism Prevention Grant in FFY 2004, while the bill did not include any funding for Critical Infrastructure Grants, which were funded at \$200 million in FFY 2003.

Under H.R. 2555, the allowable uses of homeland security grant funds will be generally the same as in the prior year. Also, just as in FFY 2003, the bill requires that State Homeland Security Grant (SHSG) funds be allocated to states subject to Section 1014 of the USA Patriot Act of 2001, which provides that each state shall receive at least 0.75% of total funding and that each territory receive 0.25% of total funding. As a result, California will continue to receive the least amount of SHSG funding per capita of any state. This same small state minimum requirement applies to the State and Local Law Enforcement Terrorism Prevention Grant.

**FFY 2004 Energy and Water Development Appropriations Bill:** The President signed into law (P.L. 108-137) the FFY 2004 Energy and Water Development appropriations bill (H.R. 2754) on December 1, 2003. The bill includes a combined total of \$8 million for the ongoing operations and maintenance of the Los Angeles County Drainage Area (LACDA) project and for eight Army Corps of Engineers coastal and watershed management studies of County interest, as summarized in a November 17, 2003 Federal Legislative Update to your Board. Due to budget constraints, the Administration did not request, and the Congress did not fund any new Corps projects, including those requested by the County.

**FFY 2004 Omnibus Appropriations Bill:** All other discretionary grants of County interest would be funded under an omnibus appropriations bill (H.R. 2673), which combines seven FFY 2004 appropriations bills which have not yet been enacted. On December 8, 2003, the House adopted the conference report (H. Rpt. 108-401) to the

bill, but the Senate recessed without acting on it. The Senate will consider the conference report after it returns on January 20, 2004. In the meantime, Federal programs that otherwise would be funded by the bill are being temporarily funded at current levels through January 31, 2004.

The conference report includes a 0.59% across-the-board cut that will be applied to all discretionary domestic programs, including those funded under the previously enacted FFY 2004 Homeland Security and Energy and Water Development appropriations bills. Commerce-Justice-State (CJS) programs, including SCAAP, will be subject to an additional 0.465% cut in FFY 2004. These across-the-board cuts are being applied to keep spending under the overall discretionary spending cap for FFY 2004.

Attachment II is a table which compares FFY 2004 funding level for programs of County interest in H.R. 2673 with the President's proposed FFY 2004 budget and the FFY 2003 funding level. The December 11, 2003 Federal Legislative Update to your Board provided an in-depth report on the omnibus appropriations bill, including a summary of earmarked funding for projects and activities of County interest, such as \$1 million to the Sheriff's Department for law enforcement technologies. As indicated in that update, H.R. 2673 also would rescind any unexpended FFY 1999 Welfare-to-Work (WtW) funds as of the date of the bill's enactment, and allow states to transfer up to 10% of their Temporary Assistance for Needy Families allotments to the Social Services Block Grant Program. The WtW rescission is expected to have little, if any, impact on the County's Workforce Investment Board, which administers WtW funds.

## HEALTH

**Medicaid Disproportionate Share Hospital (DSH) Funding:** The Medicare prescription drug bill (H.R. 1) signed into law (P.L. 108-173) on December 8, 2003 includes County-supported language that increases annual DSH allotments by 16% above the FFY 2003 level, starting in FFY 2004. This 16% increase is less than the 20% increase in the House version, but more than the increase in the Senate version. California's FFY 2004 DSH allotment will be \$1,032.6 million. DSH funding cuts originally enacted under the Balanced Budget Act of 1997 had reduced California's DSH allotment from \$1,047 million in FFY 2002 to \$890.2 million in FFY 2003.

The annual benefit to California will gradually diminish because the bill also temporarily suspends annual inflationary increases in DSH payments that the State, otherwise, would have received under prior law. It is estimated that California will receive a cumulative total of \$395.4 million more in DSH payments over the next five years than under prior law while the cumulative ten-year benefit would total \$407.7 million. The bill also includes language requiring each state to submit an annual report and independent certified audit to the Secretary of Health and Human Services (HHS) relating to its DSH payments to individual hospitals.

**Reimbursement of Undocumented Immigrant Emergency Health Care:** The Medicare prescription drug bill (P.L. 108-173) also includes County-supported language appropriating \$250 million a year in FFYs 2005 through 2008 to reimburse providers for emergency health care provided to undocumented immigrants, aliens paroled for the purpose of receiving emergency care, and Mexican citizens with 72-hour border crossing permits. By September 1, 2004, the Secretary of HHS is directed to establish a process through which health providers will apply to HHS for reimbursement of their costs. The California Institute estimated that California's annual allotment would total \$72.2 million under the bill's allocation formula. The County's share of available funds will depend on our percentage share of total eligible costs in the State using the yet to be determined payment and cost methodologies.

**Medicaid Drug Rebate:** In addition, the enacted Medicare prescription drug bill (P.L. 108-173) has County-supported language clarifying that inpatient drug prices charged to public hospitals are included under the "best price" exemptions under the Medicaid drug rebate program. The Department of Health Services estimates that the County will save \$4.5 million to \$6.5 million a year by purchasing inpatient drugs at the lowest price offered by pharmaceutical manufacturers, as provided under the Medicaid drug rebate program.

**Legal Immigrant Health Benefits:** The final Medicare bill did not include County-supported language in the Senate version (S. 1), which would have provided states with the option in FFYs 2005 through 2007 to extend Medicaid and State Children's Health Insurance Program (SCHIP) eligibility to legal immigrant children and pregnant women who have been in the United States for less than five years. Under current law, legal immigrants who entered the U.S. after August 22, 1996 are ineligible for Medicaid and SCHIP benefits during their first five years in the U.S. The House version did not include such a state option.

**Temporary Medicaid Match Rate Increase:** One-half of an estimated \$20 billion in fiscal relief for states included in a \$350 billion economic stimulus bill (H.R. 2) enacted on May, 28, 2003 (P.L. 108-27) was provided through a temporary increase in the Federal Medicaid match rate ("FMAP"). Under the bill, California's FMAP was increased by 2.95% to 52.95% for the last two quarters of FFY 2003 and the first three quarters of FFY 2004. This FMAP increase applies only to Medicaid medical assistance payments, excluding DSH payments.

**State Children's Health Insurance Program (SCHIP):** On August 15, 2003, the President signed into law (P.L. 108-74) a County-supported bill (H.R. 2854), which allows states to retain an estimated \$2.7 billion in FFYs 1998 through 2001 SCHIP funds not spent within the statutory three-year time limit. The new law allows California to retain \$376.6 million in unspent FFY 2000 SCHIP funds through September 30, 2004, and one-half of its unspent FFY 2001 allotment through September 30, 2005.

**Administration's Medicaid Reform Proposal:** As part of the President's proposed FFY 2004 budget, the Administration included a proposal to provide states with an option of receiving greater flexibility over Medicaid and SCHIP in exchange for having their Federal funding capped for ten years. In participating states, Medicaid no longer would be an open-ended entitlement in which Federal Medicaid payments automatically match state Medicaid cost increases. While the Congress held hearings on the proposal, legislation never was introduced to implement it.

**Bioterrorism Funding:** In September, HHS awarded FFY 2003 bioterrorism grants. The County received a total of \$40.1 million in funding, including \$24.5 million for public health and \$15.6 million for hospital preparedness. Chicago and New York City were the only other local governments to receive direct funding. In FFY 2002, the County received a similar amount for public health, but only \$3.6 million for hospital preparedness.

**Substance Abuse Treatment Vouchers:** The President's initiative to provide vouchers to persons with alcohol or drug dependencies to pay for a range of community-based treatment services, which is supported by the County, will be funded at \$100 million in FFY 2004 under the conference report to H.R. 2673, the FFY 2004 omnibus appropriations bill, which is pending on the Senate floor.

**Selective Provider Contracting Program (SPCP) Waiver:** The County's Washington Advocates worked closely with the State of California and the California Congressional delegation to secure final Federal approval for a two-year renewal of the State's SPCP waiver, which authorizes supplemental Medicaid payments to hospitals in the State. The waiver extension, which runs through December 31, 2004, includes an additional \$250 million in funding for the County's health system.

**Federally Qualified Health Center (FQHC) Status:** The County also continued to pursue Federally Qualified Health Center (FQHC) status for County hospital outpatient and free-standing outpatient clinics, which, if granted, would increase Medicaid revenue for the County. In October, County staff met with high-ranking Health Resources and Services Administration officials to discuss the County's proposal.

**Mental Health Parity Reauthorization:** On December 19, 2003, the President signed into law (P.L. 108-197) a County-supported bill (S. 1929) which reauthorizes the Mental Health Parity Act through December 31, 2004. This Act requires group health insurance plans to apply the same lifetime and annual dollar limits for mental health benefits as for medical care.

**Mosquito Abatement Grants:** On August 15, 2003, the President signed (S. 1015/H.R. 342), the Mosquito Abatement for Safety and Health Act, into law (P.L. 108-75). This County-supported bill authorizes the Centers for Disease Control and Prevention

(CDC) to provide local grants of up to \$100,000 to prevent mosquito-related diseases, including the West Nile virus.

## **HOMELAND SECURITY/CRIMINAL JUSTICE**

**Homeland Security:** Besides appropriating FFYs 2003 and 2004 funds for homeland security grants as described earlier in the report, Congress also took action on three bills which affect how future homeland security (first responder) funds will be allocated. This issue is of major concern to the County because California currently receives only 8% of total State Homeland Security Grant (SHSG) funding even though it has 12% of the total U.S. population. Under the current SHSG allocation formula, the most populous state (California) receives the least amount of funds per capita because 40% of SHSG funds are used to provide each state with a guaranteed base of 0.75% of all funds and each territory with a base of 0.25%, regardless of population size. The remaining 60% of funds are allocated on a per capita basis.

Of the three homeland security grant bills which have begun to move through Congress, H.R. 3266, authored by Representative Cox (R-CA), who chairs the House Select Committee on Homeland Security, is the most beneficial for the County. As passed by the Select Committee's Emergency Preparedness and Response Subcommittee on November 20, 2003, H.R. 3266 would allocate funds to states or regions based on threats and vulnerabilities rather than population without any small state minimum. The House Transportation and Infrastructure, Judiciary, and Energy and Commerce Committees, which share jurisdiction over homeland security grants, also may mark up H.R. 3266 or similar legislation in 2004.

A very different bill, S. 1245 (Collins, R-ME), was approved by the Senate Governmental Affairs Committee on June 17, 2003. This bill retains the current small state minimum requirement of 0.75% that disadvantages more populous states. Senators from such states oppose this small state minimum requirement, and the bill has not been considered by the full Senate.

On July 30, 2003, the Senate Environment and Public Works Committee passed a first responder bill, S. 930 (Inhofe, R-OK), which also contains a small state minimum requirement. The Senate Governmental Affairs Committee, however, has asserted jurisdiction over first responder issues under homeland security, and this bill also has not been considered by the full Senate.

**Urban Area Security Initiative (UASI) Grants:** The urban areas of Los Angeles City/Los Angeles County and Long Beach/Los Angeles County were two of the high-threat urban areas nationally which received UASI grants. The Los Angeles City/Los Angeles County area was allotted \$31.3 million in FFY 2003 and \$28.3 million in FFY 2004 while the Long Beach City/Los Angeles County area was allotted

\$6.5 million in FFY 2003 and \$12.1 million in FFY 2004. UASI grants flow through states which must pass through at least 80% of total grant funds to local jurisdictions in the designated urban area and spend any remaining funds in the urban area.

Under the Federal guidelines, the state must ensure that local entities within the urban area undertake a regional approach in preparing for and responding to terrorist threats. The core city and county must agree on the uses and allocation of the funds before they are released. That policy was adopted by the Administration after advocates for the County and other affected counties urged Department of Homeland Security officials to ensure that counties would be partners with cities in determining how funds would be used in high-threat urban areas.

**State Criminal Alien Assistance Program (SCAAP):** On November 25, 2003, the Senate passed S. 460 (Feinstein, D-CA), which would authorize to be appropriated \$850 million for SCAAP in FFY 2005 and \$950 million annually in FFYs 2006 through 2010. The House has not taken any action on a similar bill (H.R. 933, Kolbe, R-AZ). Under a County-supported provision included in the 1994 Crime Act (P.L. 103-322), however, Federal reimbursement of state and local undocumented criminal alien incarceration costs "shall not be subject to the availability of appropriations on or after October 1, 2004." This means that, starting in FFY 2005, SCAAP will become an entitlement for which appropriated funds are not needed to fully reimburse state and local costs. Current law, therefore, is preferable to S. 460, which would not fully fund SCAAP in future years.

**Department of Justice (DOJ) Reauthorization:** On September 10, 2003, the House Judiciary Committee passed a DOJ reauthorization bill (H.R. 3036), which included a County-supported provision to consolidate the Local Law Enforcement Block Grant (LLEBG) and Byrne Formula Grant into a new Justice Assistance Grant (JAG). The bill would authorize \$1.075 billion a year for JAG, which far exceeds the \$760 million in combined FFY 2003 LLEBG and Byrne funding unlike the President's FFY 2004 budget proposal to fund JAG at \$600 million.

The County would benefit from JAG because, under the bill's allocation formula, a greater share of total funding must be passed through to local governments and the County would receive a greater share of funds allocated to local governments in California. Moreover, the bill would provide the County with greater flexibility over the use of funds, and, unlike the current LLEBG and Byrne Grant programs, JAG would not have a non-Federal match requirement and would permit states and localities to earn interest on their allotments before spending the funds. H.R. 3036 awaits House floor action. No similar bill has been introduced in the Senate.

**Clear Law Enforcement for Criminal Alien Removal Act (CLEAR) Act:** H.R. 2671 (Norwood, R-GA), the CLEAR Act, which would clarify that state and local law

enforcement officers are authorized to help enforce immigration laws, including civil laws, was introduced on July 9, 2003. The bill also would require states and localities to enact statutes authorizing their law enforcement officers to enforce immigration laws in the course of carrying out their duties within two years of the bill's enactment as a condition for receipt of State Criminal Alien Assistance Program (SCAAP) funding. On November 20, 2003, a Senate bill, S. 1906 (Sessions, R-AL), was introduced. Committee mark-ups have not been scheduled on either bill.

**E-911 Implementation Act:** The House passed H.R. 2898 (Shimkus, R-IL), the E-911 Implementation Act of 2003, which is supported by your Board, on November 4, 2003. The bill would authorize \$500 million over five years in grants to states and localities to fund E-911 implementation activities, including planning, infrastructure improvements, equipment purchases, and training. The Senate has not yet scheduled any action on H.R. 2898. However, S. 1250 (Burns, R-MT), the Enhanced 911 Emergency Communications Act of 2003, which would authorize \$500 million a year in grants to improve emergency communications, including E-911 services, awaits Senate floor action.

**Fallen Patriots Tax Relief:** On November 11, 2003, the President signed into law (P.L. 108-121) a County-supported bill (H.R. 3365), the Fallen Patriots Tax Relief Act of 2003, which doubles the death gratuity payment to survivors of deceased members of the Armed Forces from \$6,000 to \$12,000 and excludes the payment from taxable income.

## **HUMAN SERVICES**

**Temporary Assistance for Needy Families (TANF) Reauthorization:** For the second year in a row, Congress failed to enact TANF reauthorization legislation. Instead, on October 1, 2003, the President signed H.R. 3146 into law (P.L. 108-89), which reauthorizes TANF, the Child Care and Development Block Grant (CCDBG), Transitional Medicaid Assistance (TMA), and child welfare waiver authority through March 31, 2004. On February 13, 2003, the House passed its TANF reauthorization bill (H.R. 4) while the Senate Finance Committee reported its version on October 3, 2003. Senate floor action on H.R. 4 is expected to begin before March 2004.

Both bills would reauthorize the program for five years at the current funding level of \$16.5 billion annually, and would increase the work participation rate requirement for states gradually from 50% to 70%. The Senate version would not increase the number of hours of work required of TANF recipients by as many hours as the House bill, and generally provides states and TANF recipients greater flexibility in meeting work participation requirements, though less flexibility than in current law. In addition, the Senate bill has a County-opposed provision which would prohibit the Secretary of



Health and Human Services from approving state waivers to allow childless adults to be covered under the State Children's Health Insurance Program.

A major point of contention between the Republicans and Democrats is the level of child care funding. Similar to the House Bill, the Senate version would increase child care by \$1 billion over five years. The Senate will likely consider a floor amendment offered by Senator Snowe (R-ME) to increase child care funding by up to \$6 billion. Democrats and some moderate Republicans believe that additional child care funding is necessary to enable TANF recipients to work more hours.

**Foster Care Flexible Funding Option:** The President's proposed FFY 2004 budget included a proposal to provide states with a new option to receive greater flexibility over the use of Title IV-E foster care funds in exchange for having their Federal Title IV-E funding capped over a five-year period. Under this option, which is to be budget neutral, each participating state would be required to maintain current statutory child protections and meet a maintenance-of-effort requirement. Once a state exercises its option to participate, it may not opt out during the five-year project period. Just as with the President's similar Medicaid reform proposal, the Administration never introduced legislation needed to authorize the new option. The only Congressional action on the Administration's foster care proposal was an informational hearing held by the House Ways and Means Committee on June 11, 2003.

**Child Pornography Crimes:** On April 30, 2003, the President signed into law (P.L. 108-21) a County-supported bill (S. 151), the Prosecutorial Remedies and Tools Against the Exploitation of Children Today ("PROTECT") Act of 2003, which strengthens the Federal government's ability to prosecute child pornography offenses, including by making it a Federal crime to create, possess, or distribute computer-generated images that depict children engaged in sexual activity.

**Torture Victims Relief:** On December 15, 2003, the President signed into law (P.L. 108-179) a County-supported bill (H.R. 1813), the Torture Victims Relief Act of 2003, which reauthorizes appropriations for FFYs 2004 through 2006 to assist torture victims in domestic and foreign centers.

## **EMPLOYMENT AND TRAINING**

**Workforce Investment Act (WIA) Reauthorization:** On May 8, 2003, the House passed its Workforce Investment Act (WIA) reauthorization bill (H.R. 1261) on a partisan vote of 220 to 204. The Senate passed a bipartisan version (S. 1627) without debate on November 14, 2003. Overall, the Senate version is more consistent with existing Board policies on WIA reauthorization because it generally would provide local officials with greater flexibility over the use of funds, including the flexibility to serve more in-school youth, than the House version. The Senate bill also maintains the separate

Adult, Dislocated Worker, Youth funding streams while the House bill, instead, consolidates Adult, Dislocated Worker, and Employment Service grants into a single grant for "Comprehensive Employment and Training Activities for Adults." A House-Senate conference committee must reconcile difference between the two versions in 2004.

**Welfare-to-Work Rescission:** The conference report to the FFY 2004 omnibus appropriations bill (H.R. 2673), which was adopted by the House and is pending Senate floor action, would rescind any unexpended FFY 2003 Welfare-to-Work (WtW) funds as of the date of the bill's enactment. The prior Senate version would have rescinded unspent FFY 1999 WtW funds as of September 30, 2003 when the County's Workforce Investment Board (WIB) had about \$5.2 million in unexpended funds. Under current law, WtW funds in California must be spent by July 15, 2004. In response to the potential rescission of WtW funds, the County's WIB notified service providers that they should expedite the use of remaining funds. The WIB believes that little, if any, funds will be left unspent by the time the bill is enacted into law in early 2004.

## **INFRASTRUCTURE**

**Transportation Equity Act for the 21<sup>st</sup> Century (TEA-21) Reauthorization:** Congress was unable to pass TEA-21 reauthorization legislation in 2003, and, instead, extended TEA-21 surface transportation programs through February 29, 2004. Another short-term extension of TEA-21 is likely to be enacted before the end of February.

The Senate Environment and Public Works Committee approved a six-year \$255 billion TEA-21 reauthorization bill (S. 1072) on November 12, 2003. The Committee deferred action on contentious issues by neither identifying funding sources for programs nor specifying how funds would be allocated among states. These issues would be addressed when the bill is debated on the Senate floor. Committee Chairman Inhofe (R-OK), indicated that the bill would increase the minimum return-to-source guarantee for Federal gas tax revenues from the current 90.5% to 95%. This increase should benefit California because the State historically has been a "donor" state which contributes more in Federal gas taxes than it receives back in Federal highway funding.

On November 20, 2003, House Transportation and Infrastructure Committee Chairman Young (R-AK) introduced a six-year \$375 billion reauthorization bill (H.R. 3550), which also does not identify funding sources to pay for all of the spending though it assumes that part of the funding would be raised by increasing the ethanol tax by 5.2 cents per gallon and by transferring ethanol tax revenue from the General Fund to the Highway Trust Fund. A hike in the ethanol tax would disproportionately affect California which has been increasing its use of ethanol in order to meet Federal air quality standards. In addition, Chairman Young (R-AK) has proposed a 5.4 cent per gallon increase in the Federal gas tax. The Administration has proposed a less costly six-year \$247 billion

bill, which reflects its opposition to a gas tax increase. Similar to the Senate bill, the House bill also would increase the minimum return-to-source guarantee to 95%.

Neither the Senate nor House bill currently specify which demonstration projects would be funded. The issue of which demonstration projects, including any of the County's five requested projects, will not be finalized until late in the reauthorization process.

**Railroad Safety:** On November 25, 2003, the Senate passed without debate S. 1402, the Federal Railroad Safety Improvement Act, which includes a County-supported amendment offered by Senator Boxer to require the Secretary of Transportation to issue regulations on procedures for railroads to notify first responders in communities that lie in the path of a runaway train and to require railroads to submit procedures for complying with these regulations. The bill was referred to the House Transportation and Infrastructure Committee on December 8, 2003.

**San Gabriel River Watershed Study:** On July 1, 2003, President Bush signed into law (P.L. 108-42) the San Gabriel River Watershed Act (H.R. 519), a bill authored by Representative Solis, which authorizes the Secretary of Interior to conduct a special resources study of the San Gabriel River and sections of the San Gabriel Mountains. The study, which first must be funded, must take into consideration flood control, drainage, and public infrastructure needs and be carried out in consultation with appropriate state and local government entities. Senator Boxer earlier had introduced a similar bill (S. 630).

**Water Resources Development Act (WRDA) Reauthorization:** The House passed H.R. 2557 (Young, R-AK), WRDA reauthorization legislation, on September 24, 2003. WRDA authorizes funding for the Army Corps of Engineers to conduct studies and carry out water resource projects, such as flood control, watershed management, stream bank and shoreline protection, maintenance of harbor entrances and channels, and aquatic ecosystem restorations. The Senate has not yet taken any action on WRDA reauthorization.

**CALFED Bay-Delta Program:** Three bills, H.R. 2828 (Calvert, R-CA), H.R. 2641 (Miller, D-CA), and S. 1097 (Feinstein, D-CA) were introduced in 2003 to reauthorize the CALFED Bay-Delta Program, which would authorize Federal funding to cover one-third of the cost of projects to improve California's water supplies, protect critical environmental resources, and restore damaged ecosystems. The County could benefit from grants for water conservation and watershed management projects, as well as from a general improvement in the State's water supplies. None of the bills were moved by their assigned committees, and funds have not been appropriated for CALFED in the past two years because CALFED has not been reauthorized.

## **ELECTION REFORM**

**Help America Vote Act (HAVA) Funding:** Congress appropriated \$1.48 billion in FFY 2003 to implement election reforms, as authorized by the Help America Vote Act (HAVA) of 2002. Of that amount, \$650 million has been allocated to states to replace punch card voting systems and improve the administration of elections. However, \$833 million in FFY 2003 HAVA funds have not yet been allocated to states due to delays in establishing the Election Assistance Commission, which is to administer those funds. Commission members were confirmed by the Senate on December 8, 2003.

The conference report to the FFY 2004 omnibus appropriations bill (H.R. 2673), which was adopted by the House and is pending Senate floor action, includes a total of \$1.49 billion in HAVA funding. As supported by your Board, that funding level is \$1 billion more than the amount requested by the President and included in the previous House-passed appropriations bill. Federal Funds Information for States estimates that California would receive approximately \$170 million in HAVA funds under H.R. 2673.

## **OTHER ISSUES**

**State and Local Fiscal Relief:** As part of the \$350 billion economic stimulus bill enacted in May (P.L. 108-27), \$20 billion was provided to states in the form of fiscal relief. As indicated earlier in the health section of this report, an estimated \$10 billion was provided to states through a temporary increase in the Federal Medicaid match rate. The other \$10 billion was allotted to states in FFYs 2003 and 2004, which could be used for "essential government services," as determined by a state. California's share of such funds, which were allocated based on population, totaled \$1.15 billion.

Under the previous Senate-passed version, \$4 billion in fiscal relief funds, instead, would have been allocated to units of general local government, including counties, based on population. The County's Washington advocates participated in meetings with Senate staff on the formula for allocating funds to local governments. The conference committee on the bill, however, later decided to allocate all fiscal relief funds to states.

**Noxious Weed Control Grants:** The Senate passed S. 144 (Craig, R-ID), the Noxious Weed Control Act of 2003, on March 4, 2003. This County-supported bill would authorize \$100 million a year in grants to states to control or eradicate harmful, invasive weeds. S. 144 and a similar House bill (H.R. 119, Hefley, R-CO) have been referred to the House Agriculture and Resources Committees, which have not yet scheduled any action on either bill.

Each Supervisor  
January 9, 2004  
Page 13

**Restrictions on Unsolicited E-Mail:** On December 16, 2003, the President signed into law (P.L. 108-187) a County-supported bill (S. 877), the "CAN-SPAM" Act of 2003, which seeks to restrict the transmission of unwanted commercial e-mail solicitations over the Internet.

We will continue to keep you advised of any new developments.

DEJ:GK  
MAL:MT:hg/n

#### Attachments

c:     Executive Officer, Board of Supervisors  
         County Counsel  
         All Department Heads  
         Legislative Strategist

**FUNDING FOR GRANTS TO STATE AND LOCAL GOVERNMENTS UNDER  
FFY 204 HOMELAND SECURITY APPROPRIATIONS BILL (H.R. 2555)**  
(in millions of dollars)

<b>PROGRAMS</b>	<b>Final 2003</b>	<b>President 2004</b>	<b>Final 2004</b>
State Homeland Security Grant	\$1,866	\$2,558	\$1,700
State and Local Law Enforcement Terrorism Prevention	0	500	500
Critical Infrastructure Grants	200	0	0
High-Threat Urban Area Grants	800	0	725
Firefighting Grants	745	500	750
Emergency Management Performance Grants	164	150	180

**NOTE:**

If enacted, H.R. 2673, the omnibus FFY 2004 appropriations bill, includes language applying a 0.59% across-the-board cut to all discretionary domestic programs, including the above homeland security programs.

**FUNDING LEVELS IN CONFERENCE COMMITTEE VERSION OF  
FFY 2004 OMNIBUS APPROPRIATIONS BILL (H.R. 2673)  
(in millions)**

<b>PROGRAMS</b>	<b>Final 2003</b>	<b>President 2004</b>	<b>Conference 2004</b>
<b>Justice</b>			
State Criminal Alien Assistance Program	\$ 248	\$ 0	\$ 297
COPS	978	164	748
Local Law Enforcement Block Grant	397	20	223
Byrne Formula Grant	497	0	495
Justice Assistance Grant <sup>1</sup>	0	586	0
Juvenile Justice Formula Grant	83	89	83
Juvenile Accountability Block Grant	189	0	59
<b>Health and Human Services</b>			
Bioterrorism Public Health Grants	940	518	940
HRSA Hospital Preparedness Grants	518	518	518
Ryan White AIDS Emergency Relief Grants	619	619	615
Ryan White Comprehensive Care	1,053	1,077	1,080
Ryan White AIDS Total	2,018	2,010	2,045
Community Health Centers	1,505	1,627	1,618
Substance Abuse Block Grant	1,754	1,785	1,779
Mental Health Block Grant	437	433	435
Maternal and Child Health Grant	730	751	730
Family Planning	273	265	278
Community Access Program	104	104	104
Preventive Health Block Grant	134	135	133
Social Services Block Grant	1,700	1,700	1,700
Community Services Block Grant	646	495	642
Child Welfare Services	290	292	290
Independent Living <sup>2</sup>	182	200	185
Promoting Safe and Stable Families	404	505	404

<b>PROGRAMS</b>	<b>Final 2003</b>	<b>President 2004</b>	<b>Conference 2004</b>
Child Care Development Block Grant	4,803	4,817	4,804
Refugee Assistance	478	462	448
Administration on Aging (AoA) Total	1,367	1,344	1,374
AoA Family Caregivers	149	142	153
AoA Nutrition	714	718	714
AoA Supportive Services	356	357	354
<b>Labor</b>			
Dislocated Workers	1,455	0	1,454
Adult Training	895	0	899
Youth Training	994	751	995
Consolidated WIA Grant <sup>3</sup>	0	3,080	0
Title-V Older Americans Employment	442	440	439
<b>Housing and Urban Development</b>			
Community Development Block Grant (Formula Grant)	4,340	4,436	4,331
Homeless Assistance Grants	1,217	1,325	1,260
HOME	1,912	2,197	1,919
Public Housing Operating Fund	3,577	3,574	3,579
Public Housing Capital Fund	2,712	2,641	2,696
Housing Opportunities for Persons with AIDS	290	297	295
<b>Other</b>			
Federal Aid to Highways Obligation Ceiling	31,593	29,294	33,643
Election Reform Grants	1,480	490	1,491

#### Footnotes

- <sup>1</sup> President proposed consolidating the Local Law Enforcement Block Grant and Byrne Formula Grant into a new Justice Assistance Grant in FFY 2004.
- <sup>2</sup> Included \$45 million for Independent Living Training Voucher Grants.
- <sup>3</sup> President proposed consolidating the State Employment Service, Dislocated Worker, and Adult Training Grants into a single Workforce Investment Act (WIA) block grant.